TOWN OF LA JARA, COLORADO

FINANCIAL STATEMENTS

December 31, 2023

Wall,
Smith,
Bateman Inc.
Certified Public Accountants

TOWN OF LA JARA, COLORADO
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December 31, 2023

INDEPENDENT AUDITORS' REPORT

Wall,
Smith,
Bateman Inc.

To the Board of Trustees
Town of La Jara, Colorado
La Jara, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of La Jara, Colorado (the Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Enterprise Fund budget to actual comparison schedule and the Local Highway Finance Report are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Enterprise Fund budget to actual comparison schedule and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 9, 2024

Town of La Jara, Colorado
Management's Discussion and Analysis
December 31, 2023

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the Town of La Jara (the Town) for the year ended December 31, 2023. It is offered here by the management of the Town to the readers of its financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceed its liabilities and deferred inflows of resources at December 31, 2023 by $4,882,384 (net position). Of this amount, $1,297,076 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's total net position increased $623,196. The highlights of this increase can be found on page 6 of this report.

- At December 31, 2023, the Town's governmental funds reported combined ending fund balances of $1,024,439. This amount is classified into the following categories:

Nonspendable	$3,939	0.38%
Restricted	$77,221	7.54%
Committed	$ -	-
Assigned	$ -	-
Unassigned	$943,279	92.08%

- The General Fund expenditures of $576,653 represents 61.13% of unassigned fund balance in the General Fund.

- The Town's total debt decreased by $78,803 (9.81%) during the current year. The highlights of this decrease can be found on pages 22 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The reporting focus is on the Town as a whole and on individual major funds. It is intended to present a more comprehensive view of the Town's financial activities.

The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplemental information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources (if any), and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other indicators of the Town's financial position should be taken into consideration, such as the change in the Town's property tax base and condition of the Town's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.) in order to more accurately assess the overall financial condition of the Town.

The Statement of Activities presents information showing how the Town's net position changed during the most recent year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the Town's activities into two types:

Governmental Activities. Most of the Town's basic services are reported here, including general government, police protection, planning for future land use, traffic control, building inspection, public health, neighborhood integrity, park and recreational activities, and cultural events. Property taxes, sales taxes, franchise fees and lottery revenue provide the majority of the financing for these activities.

Business-Type Activities. Activities for which the Town charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The Town's business-type activities include water distribution and sewer collection.

Fund Financial Statements

The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the Town's most significant activities. All of the funds of the Town can be divided into two categories: governmental funds and proprietary fund.

government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental fund financial statements.

The Town maintains two individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund.

Proprietary Funds. When the Town charges customers for services it provides, the activities are generally reported in proprietary funds. The Town Water/Sewer Fund is reported as a Business-Type Activity – Enterprise Fund.

The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its water and sewer operations. These services are primarily provided to outside or nongovernmental customers.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations.

Notes to the Financial Statements

The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, the Town adopts an annual appropriated budget for its General Fund and for its Proprietary Fund. A budgetary comparison schedule has been provided for the General Fund and the Water/Sewer Fund to demonstrate compliance with this budget.

Government-Wide Financial Analysis

Total assets of the Town at December 31, 2023 were $5,753,743 and deferred outflows were $109,779, while total liabilities were $895,489. Total deferred inflows of resources were $85,649, resulting in a net position balance of $4,882,384.

The largest portion of the Town's net position, $3,481,087 (71.30%), reflects its net investment in capital assets (land and improvements, buildings, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED STATEMENT OF NET POSITION
DECEMBER 31, 2023 AND 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$1,168,459	$997,502	$746,417	$1,118,417	$1,914,876	$2,115,919
Capital assets	556,889	672,613	3,281,978	2,543,972	3,838,867	3,216,585
Total assets	1,725,348	1,670,115	4,028,395	3,662,389	5,753,743	5,332,504
Deferred Outflows	109,779	70,305	-	-	109,779	70,305
Current liabilities	72,862	72,543	92,884	114,414	165,746	186,957
Noncurrent Liabilities	88,060	83,027	641,683	724,702	729,743	807,729
Total liabilities	160,922	155,570	734,567	839,116	895,489	994,686
Deferred inflows of resources	85,649	148,935	-	-	85,649	148,935
Net position						
Net investment in capital assets	473,862	490,685	3,007,225	2,683,709	3,481,087	3,174,394
Restricted	77,221	75,187	27,000	-	104,221	75,187
Unrestricted	1,037,473	870,043	259,603	139,564	1,297,076	1,009,607
Total net position	$1,588,556	$1,435,915	$3,293,828	$2,823,273	$4,882,384	$4,259,188

At the end of the current year, the Town is able to report positive balances in all categories of net position. For detail of the Statement of Net Position, reference page 4 and 5 of the Basic Financial Statements.

A condensed statement of activities for the years ended December 31, 2023 and 2022 follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues -						
Charges of Services	$20,979	$91,475	$502,175	$412,553	$523,154	$504,028
Operating grants and Contributions	75,999	83,109	-	-	75,999	83,109
Capital grants and contributions	-	-	389,806	685,651	389,806	685,651
General revenues -						
Property Taxes	112,525	100,060	-	-	112,525	100,060
Sales and Use taxes	508,544	564,199	-	-	508,544	564,199
Franchise Tax	30,169	30,156	-	-	30,169	30,156
Other taxes	3,757	1,713	-	-	3,757	991
Payment in lieu of taxes	2,993	6,170	-	-	2,993	6,170
Interest on Accounts	1,795	888	(3,348)	318	(1,553)	1,206
Loss on Sale of assets	-	-	-	-	-	-
Miscellaneous	904	2,234	-	-	904	2,234
Total revenues	757,665	879,282	888,633	1,098,522	1,646,298	1,977,804
Expenses -						
General government	201,218	189,927	-	-	201,218	189,927
Public safety	239,713	267,656	-	-	239,713	267,656
Public works	142,247	149,065	-	-	142,247	149,065
Culture and recreation	-	-	-	-	-	-
Health and welfare	18,274	15,134	-	-	18,274	15,134
Interest	3,572	3,906	-	-	3,572	3,906
Water and sewer	-	-	418,078	406,708	418,078	406,708
Total expenses	605,024	625,688	418,078	406,709	1,023,102	1,032,396
Change in net position	152,641	253,597	470,555	691,814	623,196	945,408
Net position, January 1	1,435,915	1,182,321	2,823,273	2,131,459	4,259,188	3,313,780
Net position, December 31	$1,588,556	$1,435,915	$3,293,828	2,823,273	$4,882,384	$4,259,188

Governmental Activities

Net position increased $152,641. Key revenue and expense transactions are as follows:

- Total revenues decreased $121,617 over the prior year.
- Property tax revenues increased $12,465.
- Sales tax revenues decreased $55,655
- Charges for services decreased $70,496.

Total expenses for the year 2023 decreased by $20,664 when compared to the year 2022.

Business-Type Activities

Business-type activities increased net position by $470,555. Key elements to the change in net position are as follows:

- Water and sewer charges for service for the current year were $89,622 higher than the previous year due to an increase in utility rates. $61,014 of the change in net position was generated from grant contributions for the sewer lagoon project.

Financial Analysis of the Government's Funds

Governmental Funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the year.

As of the current year, the Town's governmental funds reported combined fund balances of $1,024,439. Approximately 92.08%, or $943,279, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending and has been classified into the following categories:

Restricted	$ 77,221
Assigned	-
Nonspendable	3,939

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance is $975,218. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. General Fund expenditures of $576,653 represent 61.13% of Unassigned fund balance of $943,279, while total General Fund expenditures represents 59.13% of total fund balance. The General Fund's fund balance increased $170,653 this year.

The Conservation Trust Fund balance increased $2,034.

Detail for Governmental Funds is found on pages 7 and 9 of the Basic Financial Statements.

Proprietary Funds: The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the Water and Sewer Fund at the end of the year amounted to $259,603. Total net position in the Water and Sewer Fund increased $470,555.

General Fund Budgetary Highlights

Town Board of Trustees adopted the 2023 budget as outlined on page 31. Total revenues were $12,479 more than what was originally budgeted. This increase in revenues was in large part due to the increase in sales and use tax received. Total expenditures were $158,174 less than the original budget.

A complete budget comparison report appears on pages 31-32 and 36 of the financial statements.

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounts to $3,838,867 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, infrastructure, and construction in progress. The total increase in the Town's investment in capital assets for the current year was $712,529.

Long-Term Debt: Long-Term Liabilities decreased by $78,803 in 2023. The year-end balance was $724,634, which is comprised of a $200,000 interest-free loan (current balance of $19,915) with Colorado Water Resources and Development Authority, a $750,000 interest-free loan (current balance of $112,415) with Colorado Water Resources and Power Development; a $350,000 interest free loan with Colorado Water Resources and Power Development Authority (current balance of $196,354) and a $407,391 interest-free loan (current balance of $395,950) with Colorado Water Resources and Power Development Authority.

Additional information on the Town's long-term debt can be found in Note 5 on pages 22 and 23 of this report.

Subsequent Events

On August 26, 2019 the Town was issued a notice of violation by the Colorado Department of Public Health & Environment in regards to the Town's discharge permit. The Town was in failure to comply with all terms and conditions of the Permit and allowed discharge that contained effluents outside the parameter concentrations allowed. The Town has hired an engineering company to perform an evaluation of the facility and develop a plan that will comply with all the terms and conditions of the discharge permit. The Town has secured funding from Colorado Water Resources and Development Authority to correct the issues. The improvement phase of the project was completed in 2023. The project will be finalized in 2024 with minimal engineering costs to be incurred.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Town of La Jara, P.O. Box 723, La Jara, CO 81140-0273.

TOWN OF LA JARA, COLORADO

BASIC FINANCIAL STATEMENTS

TOWN OF LA JARA, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Current Assets			
Cash	$ 877,353	$ 144,957	$ 1,022,310
Cash with Fiscal Agent	-	449,881	449,881
Certificates of Deposit	110,293	95,747	206,040
Property Taxes Receivable	80,151	-	80,151
Accounts Receivable	5,110	54,533	59,643
Due from Other Governments	91,613	-	91,613
Internal Balances	-	-	-
Prepaid Expenses	3,939	1,299	5,238
Total Current Assets	1,168,459	746,417	1,914,876
Noncurrent Assets			
Construction in Progress	8,325	950,950	959,275
Land	92,875	-	92,875
Buildings	577,078	14,907	591,985
Improvements	335,937	-	335,937
Machinery and Equipment	461,826	204,749	666,575
Infrastructure	35,983	10,683	46,666
Collection and Transmission System	-	3,995,485	3,995,485
Less: Accumulated Depreciation	(955,135)	(1,894,796)	(2,849,931)
Total Noncurrent Assets	556,889	3,281,978	3,838,867
TOTAL ASSETS	1,725,348	4,028,395	5,753,743
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	109,779	-	109,779
LIABILITIES			
Current Liabilities			
Accounts Payable	8,302	9,933	18,235
Payroll Liability	3,813	-	3,813
Unearned Grant Revenue	51,754	-	51,754
Notes Payable	-	82,951	82,951
Financed Purchase Agreement	8,993	-	8,993
Total Current Liabilities	72,862	92,884	165,746
Noncurrent Liabilities			
Notes Payable	-	641,683	641,683
Financed Purchase Agreement	74,034	-	74,034
Net Pension Liability	14,026	-	14,026
Total Noncurrent Liabilities	88,060	641,683	729,743
TOTAL LIABILITIES	160,922	734,567	895,489

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
DEFERRED INFLOWS OF RESOURCES			
Pensions	5,498	-	5,498
Unavailable Revenue - Property Taxes	80,151	-	80,151
TOTAL DEFERRED INFLOWS OF RESOURCES	85,649	-	85,649
NET POSITION			
Net Investment in Capital Assets	473,862	3,007,225	3,481,087
Restricted			
TABOR Reserve	28,000	27,000	55,000
Park Projects	49,221	-	49,221
Unrestricted	1,037,473	259,603	1,297,076
TOTAL NET POSITION	$ 1,588,556	$ 3,293,828	$ 4,882,384

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants & Contributions**	**Capital Grants & Contributions**	**Governmental Activities**	**Business-Type Activities**	**TOTAL**
Primary Government:							
Governmental Activities:							
General Government	$ 201,218	$ 7,870	$ -	$ -	$ (193,348)	$ -	$ (193,348)
Public Safety	239,713	13,109	-	-	(226,604)	-	(226,604)
Public Works	142,247	-	65,664	-	(76,583)	-	(76,583)
Health and Welfare	18,274	-	-	-	(18,274)	-	(18,274)
Culture and Recreation	-	-	10,335	-	10,335	-	10,335
Interest on Long-Term Debt	3,572	-	-	-	(3,572)	-	(3,572)
Total Governmental Activities	605,024	20,979	75,999	-	(508,046)	-	(508,046)
Business-Type Activities:							
Water	224,343	226,581	-	-	-	2,238	2,238
Sewer	193,735	275,594	-	389,806	-	471,665	471,665
Total Business-Type Activities	418,078	502,175	-	389,806	-	473,903	473,903
Total Primary Government	$ 1,023,102	$ 523,154	$ 75,999	$ 389,806	(508,046)	473,903	(34,143)
			General Revenues:				
			Taxes:				
			Property Taxes		112,525	-	112,525
			Sales Taxes		508,544	-	508,544
			Franchise Taxes		30,169	-	30,169
			Other Taxes		3,757	-	3,757
			Payment in Lieu of Taxes		2,993	-	2,993
			Interest on Accounts		1,795	(3,348)	(1,553)
			Miscellaneous		904	-	904
			Total General Revenues		660,687	(3,348)	657,339
			Change in Net Position		152,641	470,555	623,196
			Net Position - Beginning of Year		1,435,915	2,823,273	4,259,188
			Net Position - End of Year		$ 1,588,556	$ 3,293,828	$ 4,882,384

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2023

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	$ 828,132	$ 49,221	$ 877,353
Certificates of Deposit	110,293	-	110,293
Property Taxes Receivable	80,151	-	80,151
Accounts Receivable	5,110	-	5,110
Due from Other Governments	91,613	-	91,613
Due from Other Funds	-	-	-
Inventory	-	-	-
Prepaid Expenses	3,939	-	3,939
TOTAL ASSETS	$ 1,119,238	$ 49,221	$ 1,168,459
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
LIABILITIES			
Accounts Payable	$ 8,302	$ -	$ 8,302
Payroll Liability	3,813	-	3,813
Unearned Grant Revenue	51,754	-	51,754
Due to Other Funds	-	-	-
TOTAL LIABILITIES	63,869	-	63,869
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	80,151	-	80,151
FUND BALANCE			
Nonspendable	3,939	-	3,939
Restricted	28,000	49,221	77,221
Unassigned	943,279	-	943,279
TOTAL FUND BALANCE	975,218	49,221	1,024,439
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 1,119,238	$ 49,221	$ 1,168,459

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
December 31, 2023

Total governmental fund balances	$	1,024,439
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.		556,889
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Financed purchase agreement		(83,027)
Deferred results and contributions to pension plans made after the measurement date are not recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		109,779
Net pension liabilities (assets) are not due and payable in the current period and are not reported in the funds.		(14,026)
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.		(5,498)
Net position of governmental activities	$	1,588,556

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2023

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property Taxes	$ 87,887	$ -	$ 87,887
Sales and Use Taxes	509,404	-	509,404
Specific Ownership Taxes	24,638	-	24,638
Franchise Taxes	30,261	-	30,261
Fees and Fines	13,109	-	13,109
Licenses and Permits	6,905	-	6,905
Intergovernmental	71,871	10,335	82,206
Interest Earnings	1,771	24	1,795
Miscellaneous	1,460	-	1,460
TOTAL REVENUES	747,306	10,359	757,665
EXPENDITURES			
Current-			
General Government	180,738	-	180,738
Public Safety	233,478	-	233,478
Public Works	121,766	-	121,766
Health and Welfare	11,545	-	11,545
Capital Outlay	16,900	8,325	25,225
Debt Service	12,226	-	12,226
TOTAL EXPENDITURES	576,653	8,325	584,978
Net Change in Fund Balance	170,653	2,034	172,687
Fund Balances at Beginning of Year	804,565	47,187	851,752
Fund Balances at End of Year	$ 975,218	$ 49,221	$ 1,024,439

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds		$ 172,687
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset addition	$ 25,225	
Depreciation expense	(50,702)	
		(25,477)
Debt proceeds provide current financial resources to government funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the activity in debt in the current period.		
Financed purchase agreement payments		8,654
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expense.		(3,223)
Change in net position of governmental funds		$ 152,641

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
December 31, 2023

		WATER AND SEWER FUND
ASSETS		
Current Assets		
Cash and Cash Equivalents	$	144,957
Cash with Fiscal Agent		449,881
Certificates of Deposit		95,747
Accounts Receivable		54,533
Prepaid Expenses		1,299
Total Current Assets		746,417
Noncurrent Assets		
Construction in Progress		950,950
Buildings		14,907
Infrastructure		10,683
Collection and Transmission System		3,995,485
Machinery and Equipment		204,749
Less: Accumulated Depreciation		(1,894,796)
Total Noncurrent Assets		3,281,978
TOTAL ASSETS		4,028,395
LIABILITIES		
Current Liabilities		
Accounts Payable		9,933
Due to Other Funds		-
Financed Purchase Payable		-
Notes Payable		85,297
Total Current Liabilities		95,230
Noncurrent Liabilities		
Notes Payable		639,337
TOTAL LIABILITIES		734,567
NET POSITION		
Net Investment in Capital Assets		3,007,225
TABOR Reserve		27,000
Unrestricted		259,603
TOTAL NET POSITION	$	3,293,828

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2023

		WATER AND SEWER FUND
OPERATING REVENUES		
Charges for Services	$	495,886
Miscellanous Income		6,289
Total Operating Revenues		502,175
OPERATING EXPENSES		
Salaries		136,248
Payroll Taxes and Employee Benefits		21,014
Professional Services		44,754
Utilities		24,809
Monitoring Fees		6,703
Office Supplies		15,034
Repairs and Maintenance		28,437
Gas and Oil		5,965
Insurance		6,485
Traveling and Training		1,781
Miscellaneous		13,454
Depreciation		113,394
Total Operating Expenses		418,078
Operating Income (Loss)		84,097
NONOPERATING REVENUES (EXPENSES)		
Grant Revenue		389,806
Interest Income		559
Interest Expense		(3,907)
Total Nonoperating Revenues (Expenses)		386,458
Change in Net Position		470,555
Net Position, Beginning of Year		2,823,273
Net Position, End of Year	$	3,293,828

The accompanying notes are an integral part of this financial statement.

TOWN OF LA JARA, COLORADO
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

		WATER/SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	$	503,774
Cash Payments to Suppliers for Goods and Services		(171,387)
Cash Payments to Employees		(188,584)
Cash Payments for Employee Benefits and Taxes		(22,795)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		121,008
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Fixed Assets		(851,400)
Grant Proceeds		389,806
Debt Proceeds		-
Interest Paid on Notes and Financed Purchase Agreements		(3,907)
Principal Paid on Notes and Financed Purchase Agreements		(78,803)
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES		(544,304)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income		149
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		149
NET INCREASE IN CASH AND CASH EQUIVALENTS		(423,147)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		1,017,985
CASH AND CASH EQUIVALENTS, END OF YEAR	$	594,838
OPERATING INCOME (LOSS)	$	84,097
Adjustments to Reconcile Operating Income to		
Net Cash Provided by Operating Activities		
Depreciation Expense		113,394
Change in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable		1,599
Increase (Decrease) in Accounts Payable		(25,746)
Increase (Decrease) in Due to Other Funds		(52,336)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$	121,008
SUPPLEMENTAL DISCLOSURES		
Reconciliation to the statement of net position		
Cash and cash equivalents	$	144,957
Cash with fiscal agent		449,881
	$	594,838

The accompanying notes are an integral part of this financial statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of La Jara, Colorado (the Town) operates as a statutory town under the laws of the state of Colorado and is governed by an independently elected mayor and six trustees. The Town was organized in March 1902 and provides the following services: public safety, highway and street maintenance, culture and recreation, general government, and water and sewer.

The financial statements of the Town have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Town's accounting and reporting principles and practices are described below.

Reporting Entity

The reporting entity consists of the Town and, if applicable, organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the Town. Consideration is also given to including other organizations in the reporting entity if they are considered fiscally dependent or exclusion from the Town's financial statements would render those financial statements misleading.

Based on these criteria, no potential component units have been included in the Town's reporting entity, nor is the Town a component unit of another entity.

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activity, which relies to a significant extent on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or activity. Program revenues include, if applicable, (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or activity; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost by function or business-type activity is normally covered by general revenue such as property taxes, sales and use taxes, specific ownership and other taxes or other unrestricted revenues.

Separate fund financial statements are provided for governmental funds and the proprietary fund. The major individual governmental fund and the major individual enterprise fund are reported in separate columns.

The government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fund financial statements for the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied, while grants and similar items are recognized as revenue when all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenue to be available if collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while proceeds of long-term debt and acquisitions under financed purchase agreements are reported as other financing sources.

Property taxes, sales and use taxes, specific ownership taxes, grant and entitlement revenues, interest and charges for services are considered revenues susceptible to accrual. Contributions and miscellaneous revenue are recorded as revenues when received in cash because they are not generally measurable until that time. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance and, as such, entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met.

Business-type activities and the proprietary fund are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund is included on the statement of net position. The proprietary fund-type operating statement presents increases (revenues) and decreases (expenses) in net total position. The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Town's water and sewer fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds

The Town reports the following major governmental funds:

- The general fund is the primary operating fund of the Town and is always classified as a major fund. The general fund is used to account for all financial resources of the Town except those required to be accounted for in a separate fund. Major revenue sources include property taxes, sales and use taxes, franchise taxes, specific ownership taxes and intergovernmental revenues. Primary expenditures include public safety, general government and public works.

- The conservation trust fund is used to account for the Town's share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks and other public recreational facilities.

Proprietary Fund

The following is a description of the major proprietary fund of the Town:

- The water and sewer fund accounts for the operations of the Town's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system, along with accumulation of resources for the payment of principal on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary. Financial information for the separate segments (water and sewer) are presented where available.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and interest and non-interest-bearing demand deposits.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when acquired, if held by the Town, are considered cash equivalents.

Property Taxes

Property taxes were levied on January 10, 2024 based on the assessed value of property as certified by the County Assessor the previous October. Assessed values are a percentage of actual values. A reappraisal of all property must be made every two years.

The taxes levied on January 10, 2024 reflect 2023 property taxes that will be collected in 2024 by the Conejos County Treasurer. Taxes collected by the Treasurer are remitted to the Town on a monthly basis. These taxes are due January 1, 2024 and may be paid in two installments (February 28 and June 15) or they may be paid in full April 30. Taxes not paid in accordance with this schedule accrue interest and penalty charges and are subject to liens if not paid by November, 2024.

Inventory

Inventory consists of fuel and is reported at the lower of cost (first-in, first-out) basis or market.

Capital Assets

Capital assets, which include land, buildings, improvements, infrastructure, machinery and equipment, and collection and transmission systems are reported in the applicable governmental or business-type activity columns on the government-wide financial statements. The capitalization level was established at $5,000 and the criteria for capitalization also includes (1) increasing the capacity or operating efficiency or (2) extending the useful life of the asset. These levels and criteria were set so as to maintain a balance between accountability and managing the costs of recording and tracking these assets. Capital assets are defined as assets with an initial individual cost or estimated cost that equals or exceeds the limits identified above and have a useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at acquired value at the time received. Normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activity is included as part of the capitalized value of the assets constructed when material. Construction-period interest recorded in proprietary funds is no longer capitalized beginning in 2018 due to the Town's adoption of GASB statement No. 89.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activity	Business-Type Activity
Buildings	10-20	25
Improvements	10-20	-
Infrastructure	15	15
Collection and transmission system	-	15-20
Machinery and equipment	5-20	5-15

Compensated Absences

It is the Town's policy to permit employees to accrue earned but unused vacation and sick pay benefits. However, the vacation and sick pay benefits do not vest nor accumulate and thus are not recognized as an expense or liability in the government-wide or proprietary fund financial statements.

Long-term Liabilities

In the government-wide statement of net position and the fund financial statements for the proprietary fund, long-term debt and other similar long-term obligations, if any, are reported as liabilities in the applicable statement of net position.

In the governmental fund financial statements, bond premium and discounts, if any, as well as bond insurance and issue costs, are recognized during the current period. The face amount of the debt issue, along with the related discount or premium, if any, is reported as other financing sources while debt insurance and issue costs are reported as debt service expenditures.

Unearned Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenue.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applied to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the balance sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pensions must be deferred.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB pension plan have been determined on the same basis as they are reported by the Fire and Police Pension Association statewide defined benefit pension plan (FPPA Plan). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

Governmental funds report fund balance in classifications based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for the Town's governmental funds consists of the following:

> *Nonspendable* - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.
> *Restricted* - includes amounts that are restricted for specific purposes stipulated by external resource providers constitutionally or through enabling legislation.
>
> *Committed* - includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the Town's board of trustees. Commitments may be modified or changed only by the Town's board of trustees approving a new resolution.
>
> *Assigned* - includes amounts intended to be used by the Town for specific purposes that are neither restricted nor committed. Intent is expressed by the Town's manager to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget.
>
> *Unassigned* - this is the residual classification for the general fund.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

> *Net investment in capital assets* - this classification consists of capital assets net of accumulated depreciation and reduced by outstanding related debt that is attributed to the acquisition, construction or improvement of capital assets.
>
> *Restricted net position* - this classification consists of restrictions created by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation and constitutional provisions.
>
> *Unrestricted net position* - this classification represents the remainder of net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

When both restricted and unrestricted resources are available for net position use, it is the Town’s policy to use restricted resources first and then use unrestricted resources as they are needed.

Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as interfund transfers.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

During fiscal year 2023, the Town adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangement (SBITA),* that established that a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This standard requires governmental entities to record a subscription liability and an intangible right-to-use subscription asset for those contracts for the subscription term. This standard does not have a material effect on the financial statements of the Town.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Principles

The Town adheres to the following procedures in establishing its budgets.

On or before October 15 of each year, the Town manager submits to the board of trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the board of trustees to obtain taxpayer comments. The Town adopts budgets for all funds and the Town uses the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets for all funds. In addition, appropriations lapse at the end of the year.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. The board of trustees may amend the original adopted budget during the year by passing a new resolution to reflect current needs and during 2023 the expenditure estimates were not amended. For each legally adopted annual operating budget, budgetary control exists at the total fund level. That is to say, total expenditures for each fund cannot legally exceed total appropriations for that fund.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

At December 31, 2023 cash, deposits, and certificates of deposit consisted of the following.

	Governmental Activities	Business-Type Activities	TOTAL
Cash on hand	$ 3,478	$ 101	$ 3,579
Cash deposited in banks	873,875	144,856	1,018,731
	877,353	144,957	1,022,310
Cash with fiscal agent	-	449,881	449,881
Total cash and cash equivalents	877,353	594,838	1,472,191
Certificates of deposit	110,293	95,747	206,040
Total cash, deposits, and investments	$ 987,646	$ 690,585	$ 1,678,231

Deposits

At December 31, 2023, the carrying amount of the Town's deposits, including certificates of deposit, was $1,228,350 and the bank balance was $1,225,971. Of the bank balance, $457,193 was covered by federal depository insurance and $768,778 was collateralized in single financial institution collateral pools maintained by the individual financial institutions that hold these deposits. Colorado law requires that depository institutions must apply for and be designated as an eligible public depository before the institution can accept public fund monies. The depository institution must pledge eligible collateral as security for all public deposits held by that institution that are not insured by depository insurance. The fair value of the collateral that each institution pledges must equal at least 102% of the total uninsured deposits held by that institution. Generally, the eligible collateral in the collateral pools is held by the depository institution or its agent in the name of the depository institution.

Credit Risk

The Town has no formal policy on managing credit risk; however, the Town is subject to the provisions of Colorado Revised Statutes 24-75-601, which is entitled "Concerning Investment in Securities by Public Entities". This law, among other things, outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, bankers' acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, guaranteed insurance contracts and U.S. dollar-denominated corporate or bank debt. The statute also includes a provision limiting any investment to a five-year maturity unless the governing body authorizes a longer period.

Cash and Investments Restricted for Unspent Debt Proceeds -The Town had $394,400 of unspent note proceeds restricted to pay construction costs for the lagoon project.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 92,875	$ -	$ -	$ 92,875
Construction in progress	-	8,325	-	8,325
Total capital assets not being depreciated	92,875	8,325	-	101,200
Capital assets being depreciated				
Buildings	577,078	-	-	577,078
Improvements	327,537	8,400	-	335,937
Infrastructure	35,983	-	-	35,983
Machinery and equipment	453,326	8,500	-	461,826
Total capital assets being depreciated	1,393,924	16,900	-	1,410,824
Less accumulated depreciation for:				
Buildings	338,444	21,138	-	359,582
Improvements	144,113	15,450	-	159,563
Infrastructure	16,305	1,687	-	17,992
Machinery and equipment	405,571	12,427	-	417,998
Total accumulated depreciation	904,433	50,702	-	955,135
Total capital assets being depreciated, net	489,491	(33,802)	-	455,689
Governmental Activities Capital Assets, Net	$ 582,366	$ (25,477)	$ -	$ 556,889
Business-type activity:				
Capital assets not being depreciated				
Construction in progress	$ 99,550	$ 851,400	$ -	$ 950,950
Capital assets being depreciated				
Collection and transmission system	3,995,485	-	-	3,995,485
Building	14,907	-	-	14,907
Infrastructure	10,683	-	-	10,683
Machinery and equipment	204,749	-	-	204,749
Total capital assets being depreciated	4,225,824	-	-	4,225,824
Less accumulated depreciation for:				
Collection and transmission system	1,606,932	104,246	-	1,711,178
Building	7,256	358	-	7,614
Infrastructure	10,504	-	-	10,504
Machinery and equipment	156,710	8,790	-	165,500
Total accumulated depreciation	1,781,402	113,394	-	1,894,796
Total capital assets being depreciated, net	2,444,422	(113,394)	-	2,331,028
Business-type Activities Capital Assets, Net	$ 2,543,972	$ 738,006	$ -	$ 3,281,978

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	$	20,480
Public Safety		3,012
Public Works		20,481
Health and Welfare		810
Culture and Recreation		5,919
Total depreciation expense - governmental activities	$	50,702
Business-type activity:		
Water and sewer	$	113,394
Total depreciation expense - business-type activity	$	113,394

NOTE 5 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

	Balance 12/31/2022	Additions	Repayments	Balance 12/31/2023	Due Within One Year
Governmental Activities					
Financed Purchase Agreement	$ 91,681	$ -	$ 8,654	$ 83,027	$ 8,993
Governmental Activities Total	$ 91,681	$ -	$ 8,654	$ 83,027	$ 8,993
Business-type Activity					
Notes Payable					
CWRPDA Loan	$ 149,932	$ -	$ 37,517	$ 112,415	$ 37,500
CWRPDA Loan	29,932	-	10,017	19,915	10,000
CWRPDA Loan	212,086	-	15,732	196,354	15,715
CWRPDA Loan	407,391	-	11,441	395,950	19,736
Total Notes Payable	799,341	-	74,707	724,634	82,951
Financed Purchase Agreement	4,096	-	4,096	-	-
Business-type Activities Total	$ 803,437	$ -	$ 78,803	$ 724,634	$ 82,951

Governmental Activities

Financed Purchase Agreement

During 2021, the Town entered into a 10 year, $100,000, 3.99% interest financed purchase agreement with the proceeds to be used to construct and equip the Town maintenance building. At December 31 2023, the maintenance building is included in capital assets at a cost of $128,116, with accumulated depreciation of $12,802. Payments are due in semi-annual installments continuing through September 2031 from the General Fund.

The agreement provides for minimum annual financed purchase payments as follows:

	Principal	Interest	Total
2024	$ 8,993	$ 3,232	$ 12,225
2025	9,365	2,860	12,225
2026	9,742	2,483	12,225
2027	10,135	2,071	12,206
2028	10,538	1,687	12,137
2029-2031	34,254	2,428	36,431
	$ 83,027	$ 14,761	$ 97,449

Business-Type Activities

Notes Payable

$200,000 interest-free loan with Colorado Water Resources and Power Development Authority series 2005; due in semi-annual installments of $5,000 through November, 2025; debt is serviced by the water and sewer fund and on which revenue is pledged as collateral	$ 19,915
$750,000 interest-free loan with Colorado Water Resources and Power Development Authority, series 2006; due in semi-annual installments of $18,750 through November, 2026; debt is serviced by the water and sewer fund and on which revenue is pledged as collateral	112,415
$350,000 interest-free loan with Colorado Water Resources and Power Development Authority, series 2015; due in semi-annual installments of $7,858 through May, 2036; debt is serviced by the water and sewer fund on which revenue is pledged as collateral	196,354
$407,391 0.6% interest rate loan with Colorado Water Resources and Power Development Authority, series 2022; due in semi-annual installments of $11,041 through November, 2042; debt is serviced by the water and sewer fund on which revenue is pledged as collateral	395,950
	724,634
Financed Purchase Agreement	
$87,916 of obligation under financed purchase agreement; interest rate of 4.75%; payable in annual installments of $19,749, including interest though February 2023; lease payments began May 2018, paid in full during 2023; debt is serviced by the water and sewer fund	-
Total business-type activity	$ 724,634

The annual debt service for the business-type activities is as follows:

	Principal	Interest	Total
2024	$ 82,951	$ 2,346	$ 85,297
2025	82,984	2,228	85,212
2026	73,104	2,108	75,212
2027	35,809	1,988	37,797
2028	35,389	1,868	37,257
2029-2033	181,485	7,501	188,986
2034-2038	145,781	4,372	150,153
2039-2042	87,131	1,181	88,313
	$ 724,634	$ 23,592	$ 748,227

Debt Covenants

Debt covenants require that the water and sewer fund maintain a net income to debt ratio of 1.10 after excluding depreciation. For the year ended December 31, 2023, the Town was in compliance with debt covenant requirements.

NOTE 6 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. As of January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clinical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the SWDB Plan from the Town were $10,688 for the year ended December 31, 2023.

Basis of Presentation. The underlying financial information used to prepare the Schedule of Employers Contributions and the Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set for the by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of the FPPA.

Pension Assets or Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Town reported a net pension liability (asset) of $14,026 for its proportionate share of the net pension liability (asset).

The net pension liabilities (assets) were measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (assets) were determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liabilities (assets) were based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022, the Town's proportion was 0.0158 percent.

For the year ended December 31, 2023, the Town recognized pension (income)/expense of $3,223.

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 30,361	$ 1,722
Net difference between projected and actual earnings on pension plan investments	31,740	-
Change in assumptions	17,969	-
Change in proportionate share	19,021	3,776
Contributions subsequent to the measurement date	10,688	-
Total	$ 109,779	$ 5,498

$10,688 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease (increase) of the net pension liability (asset) in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2024	$ 10,191
2025	16,199
2026	21,777
2027	28,344
2028	7,338
Thereafter	9,744
	$ 93,593

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Asjustments (COLA)	0.00%	0.00%
*Includes inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income - Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.90%
Cash	1.0%	3.92%
Total	100.0%	

The discount rate used to measure the total pension liability (asset) was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plans fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

1% Decrease (6.00%)	Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
$ 96,692	$ 14,026	$ (54,449)

Pension plan fiduciary net position Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado annual comprehensive financial report, which may be obtained at http://www.fppaco.org.

NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (OPEB)

New Hire Fire and Police Death and Disability

The Town contributes to the statewide, cost-sharing, multiple-employer death and disability plan administered by the Colorado Fire and Police Pension Association (FPPA). The statewide plan provides death and disability benefits for those new hires employed after January 1, 1997 and their beneficiaries. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes the statewide death and disability plan. That report may be obtained by writing to FPPA of Colorado, 5290 OTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 303-770-3772 in the Denver metro area or 800-332-3772 from outside the metro area.

Funding Policy - Plan members and the Town are required to contribute at a rate set by statute. Pursuant to statute, the FPPA Board of Directors may adjust the contribution rate every two years based on an annual actuarial valuation by no more than one-tenth of one percent. The 2023 contribution rate for members is 3.00% of pensionable earnings. The Town's contributions to the statewide death and disability plan for the years ended December 31, 2023, 2022 and 2021 were $0, $0, and $0, equal to its required contributions for each year.

NOTE 8 NET POSITION AND FUND BALANCES

Net Position

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2023 is as follows:

	Governmental Activities	Business-type Activities	Total
TABOR	$ 28,000	$ 27,000	$ 55,000
Park Projects	49,221	-	49,221
	$ 77,221	$ 77,221	$ 104,221

Restricted for TABOR - This represents approximately 3% of the Town's fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the Town's net position can be used for declared emergencies only and the Town must maintain 3% or more of its fiscal year spending in this account. The Water and Sewer Fund is normally considered a TABOR exempt enterprise a majority of revenues are derived from user fees and federal grants. However, during 2023, the fund received state grant revenues exceeding 10 percent of its annual revenue. Therefore, the Water and Sewer Fund did not qualify for TABOR enterprise status and is required to reserve 3% of its fiscal year spending for the year ended December 31, 2023.

Restricted for parks projects - The amount reported in this category represents the fund balance of the Town's conservation trust special revenue fund that is restricted for parks projects under state law.

Restricted for parks projects - The amount reported in this category represents the fund balance of the Town's conservation trust special revenue fund that is restricted for parks projects under state law.

Fund Balance

	Governmental Activities		
	General Fund	Conservation Trust Fund	Total
Nonspendable -			
Prepaid items	$ 3,939	$ -	$ 3,939
Inventory	-	-	-
Restricted -			
Tabor	28,000	-	28,000
Park Projects	-	49,221	49,221
Unassigned	943,279	-	943,279
Total fund balances	$ 975,218	$ 49,221	$ 1,024,439

NOTE 9 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; property and casualty, errors and omissions, injuries to employees, and health claims. Risks of loss from torts, errors and omissions, property and casualty, and injuries to employees are covered by the Town's participation in the Colorado Intergovernmental Risk Pool (CIRSA) which is a separate and independent governmental public entity risk pool formed through intergovernmental agreement by member municipalities to provide defined coverage of covered risks. The membership agreement provides that the pool be self-sustaining through member premiums and reinsure with commercial companies for claims in excess of identified limits.

Employer health claims are covered by commercial insurance. Settlement claims for each of the last three years did not exceed insurance coverage amounts in areas where commercial insurance is used to cover the risk of loss.

NOTE 10 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the state constitution on November, 1992 which contains several limitations, including revenue raising, spending abilities and other specific requirements affecting state and local governments. The amendment, commonly known as the TABOR amendment, is complex and subject to judicial interpretation; however, the Town believes it is in compliance with the requirements of the amendment. The Town has made certain interpretations of the amendment’s language in order to determine its compliance.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Notice of Violation

The Town was issued a notice of violation by the Colorado Department of Public Health & Environment on August 26, 2019 in relation to the Town's discharge permit. The Town was in failure to comply with all terms and conditions of the Permit and allowed discharge that contained effluents outside of parameter concentrations allowed.
The Town responded to the notice of violation on September 24, 2019 and hired an engineering company to perform an evaluation of the facility and recommend measures to ensure that adequate treatment is provided such that the

facility complies with all terms and conditions of the Town's discharge permit. As of the issuance of this report, the plan was accepted and approved by the State, the design and engineering portion of the project was complete, and the physical improvements are nearly complete. The Town is awaiting final approval in 2024 with minimal cost left to be incurred.

Funding for project was provided by a 2022 CWRPDA Design and Engineering loan of $147,150, a 2022 CWRPDA Loan of $850,994 and a Small Communities Grant of $400,000. As of December 31, 2023 total project costs were $950,950.

TOWN OF LA JARA, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and major governmental fund. In addition, pension plan contributions and the Town's proportionate share of the net pension liability (asset) is required to supplement the basic financial statements.

TOWN OF LA JARA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2023

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes	$ 75,200	$ 75,200	$ 87,887	$ 12,687
Sales and Use Taxes	440,875	440,875	509,404	68,529
Specific Ownership Taxes	26,000	26,000	24,638	(1,362)
Franchise Taxes	25,050	25,050	30,261	5,211
Fees and Fines	68,400	68,400	13,109	(55,291)
Licenses and Permits	19,950	19,950	6,905	(13,045)
Intergovernmental	76,000	76,000	71,871	(4,129)
Interest Earnings	702	702	1,771	1,069
Miscellaneous	2,650	2,650	1,460	(1,190)
TOTAL REVENUES	734,827	734,827	747,306	12,479
EXPENDITURES				
Current-				
General Government	171,050	171,050	180,738	(9,688)
Public Safety	330,100	330,100	233,478	96,622
Public Works	170,952	170,952	121,766	49,186
Health and Welfare	21,500	21,500	11,545	9,955
Capital Outlay	29,000	29,000	16,900	12,100
Debt Service	12,225	12,225	12,226	(1)
TOTAL EXPENDITURES	734,827	734,827	576,653	158,174
Net Change in Fund Balance	-	-	170,653	170,653
Fund Balance at Beginning of Year	484,442	484,442	804,565	320,123
Fund Balance at End of Year	$ 484,442	$ 484,442	$ 975,218	$ 490,776

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

TOWN OF LA JARA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Intergovernmental Revenue				
Lottery Funds	$ 74,300	$ 74,300	$ 10,335	$ (63,965)
Interest on Accounts	-	-	24	24
TOTAL REVENUES	74,300	74,300	10,359	(63,941)
EXPENDITURES				
Culture and Recreation	65,000	65,000	-	65,000
Capital Outlay	40,000	40,000	8,325	31,675
TOTAL EXPENDITURES	105,000	105,000	8,325	96,675
Net Change in Fund Balance	(30,700)	(30,700)	2,034	32,734
Fund Balance at Beginning of Year	47,155	47,155	47,187	32
Fund Balance at End of Year	$ 16,455	$ 16,455	$ 49,221	$ 32,766

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

TOWN OF LA JARA, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
FPPA SWDB PENSION PLAN
For the Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset)	0.01580%	0.01665%	0.01538%	0.02203%	0.02208%	0.02200%	0.02500%	0.03100%	0.02820%	0.02900%
Town's proportionate share of the net pension liability (asset)	$ 14,026	$ (90,247)	$ (33,394)	$ (12,457)	$ 28,077	$ (31,061)	$ 9,101	$ (541)	$ (31,826)	$ (24,948)
Town's covered payroll	$ 112,576	$ 137,482	$ 134,054	$ 162,333	$ 143,891	$ 126,413	$ 128,900	$ 148,875	$ 126,433	$ 120,810
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	12.46%	-65.64%	-24.91%	-7.67%	19.51%	-24.57%	7.06%	0%	-25%	-21%
Plan fiduciary net position as a percentage of the total pension lliability (asset)	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

See notes to the required supplementary information

TOWN OF LA JARA, COLORADO
SCHEDULE OF TOWN CONTRIBUTIONS
FPPA SWDB PENSION PLAN
For the Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 10,688	$ 12,373	$ 11,395	$ 9,884	$ 12,987	$ 11,511	$ 10,113	$ 14,312	$ 11,910	$ 10,115
Contributions in relation to the contractually required contribution	(10,688)	(12,373)	(11,395)	(9,884)	(12,987)	(11,511)	(10,113)	(14,312)	(11,910)	(10,115)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	112,576	137,482	134,054	123,555	162,333	143,891	126,413	128,900	148,875	126,433
Contributions as a percentage of covered payroll	9.49%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

See notes to the requried supplementary information.

TOWN OF LA JARA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2023

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

2022 Post-retirement mortality assumptions were changed to the Pub-2010 Safely Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees.

- The municipal bond rate increased from 1.84 perecent ot 4.05 percent.

2021 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2020 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2019

- Reduced the real return rate from 5.00% to 4.50%, combined with an unchanged inflation rate of 2.5%, reduced the nominal investment assumption from 7.50% to 7.00%.
- Increased the productivity component of the salary scale assumption from 1.50% to 1.75%. Combined with the inflation creates of 2.50%, this creates and ultimate salary assumption of 4.25%.
- Removed the blue collar adjustment for the mortality tables being used and updated the mortality projection scale from Scale BB to the ultimate rates of the MP-2017 projection scale.
- Increased disability rates for members covered by a defined benefit program.
- Slightly modified retirement rates to reflect increased retirement utilization for low service members and slightly decreased the normal retirement rates after age 55.
- Limited the amortization period used to determine the Actuarially Determined Contribution Rate such that no negative amortization results (the payment always covers at least the interest on the unfunded liability).

2018

- The Long-Term Investment Rate of Return was lowered from 7.5% to 7.0%.
- Projected Salary Increases changed from 4.0%-14.0% to 4.25%-11.25%.
- Increase the expected incidence of Disability for members of FPPA's defined benefit plans.

2017 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2016 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2015

- The Inflation assumption was reduced from 3.0% to 2.5%.
- Added an explicit charge for administrative expenses in the actuarial contribution calculation.
- Revised the base mortality tables and the explicit assumption for increasing longevity in the future to reflect current mortality studies.
- Increase the expected incidence of Total Disability for members of FPPA's defined benefit plans.

TOWN OF LA JARA, COLORADO

SUPPLEMENTARY INFORMATION

TOWN OF LA JARA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP)
WATER AND SEWER FUND
Year Ended December 31, 2023

	ACTUAL - BUDGET BASIS			ORIGINAL AND FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	Water Activities	Sewer Activities	Total		
REVENUES AND OTHER FINANCING SOURCES					
Service Charges	$ 221,470	$ 274,416	$ 495,886	$ 477,750	$ 18,136
Grant Revenue	-	389,806	389,806	1,500,000	(1,110,194)
Interest Income	484	75	559	450	109
Other Income	5,112	1,177	6,289	1,850	4,439
TOTAL REVENUES AND OTHER FINANCINS SOURCES	227,066	665,474	892,540	1,980,050	(1,087,510)
EXPENDITURES					
Salaries	68,124	68,124	136,248	148,000	11,752
Payroll Taxes and Employee Benefits	10,507	10,507	21,014	33,400	12,386
Professional Services	16,238	28,516	44,754	50,000	5,246
Utilities	22,849	1,960	24,809	17,300	(7,509)
Monitoring Fees	1,290	5,413	6,703	11,113	4,410
Office Supplies	7,605	7,429	15,034	11,600	(3,434)
Repairs and Maintenance	20,876	7,561	28,437	33,800	5,363
Gas and Oil	4,054	1,911	5,965	9,900	3,935
Insurance- General	3,620	2,865	6,485	6,400	(85)
Traveling and Training	813	968	1,781	3,000	1,219
Capital Outlay	-	-	-	1,519,300	1,519,300
Miscellaneous	11,670	1,784	13,454	72,962	59,508
Debt Service					
Loan Payments	18,758	60,045	78,803	63,275	(15,528)
Interest Expense	1,243	2,664	3,907	-	(3,907)
TOTAL EXPENDITURES	187,647	199,747	387,394	1,980,050	1,592,656
NET CHANGE IN FUND BALANCE	$ 39,419	$ 465,727	505,146	$ -	$ 505,146
GAAP ADJUSTMENTS					
Depreciation			(113,394)		
Principal Payments			78,803		
NET CHANGE IN FUND BALANCE			$ 470,555		

TOWN OF LA JARA, COLORADO

OTHER SCHEDULES AND REPORTS

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of La Jara YEAR ENDING : December 2023
This Information From The Records Of : Town of La Jara	Prepared By: Shawn Pagnotta Phone: (719)-274-5363

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	33,234
3. Other local imposts (from page 2)	27,649
4. Miscellaneous local receipts (from page 2)	13,019
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	73,902
B. Private Contributions	
C. Receipts from State government (from page 2)	94,820
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	168,722

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	9,333
2. Maintenance:	2,395
3. Road and street services:	
a. Traffic control operations	5,678
b. Snow and ice removal	1,000
c. Other	18,520
d. Total (a. through c.)	25,198
4. General administration & miscellaneous	
5. Highway law enforcement and safety	131,796
6. Total (1 through 5)	168,722
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	168,722

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	168,722	168,722	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2023

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	9,333
1. Sales Taxes	3,011	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	3,686
5. Specific Ownership &/or Other	24,638	g. Other Misc. Receipts	
6. Total (1. through 5.)	27,649	h. Other	
c. Total (a. + b.)	27,649	i. Total (a. through h.)	13,019
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	58,453	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	36,367	d. Federal Transit Admin	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)	-	f. Other Federal	$ -
f. Total (a. through e.)	36,367	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	94,820	3. Total (1. + 2.g)	$ -
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		7,697	7,697
(4). System Enhancement & Operation		1,636	1,636
(5). Total Construction (1) + (2) + (3) + (4)	0	9,333	9,333
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	9,333	9,333
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE